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WASHINGTON, D.C.

August 8, 2001

Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423-0001
Attn: Ms. Taledia Stokes

RECORDATION NO. **23416-B**

AUG 9 '01

8-4470

SURFACE TRANSPORTATION BOARD



Dear Ms. Stokes:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) original copies of a Memorandum of Chattel Mortgage and Security Agreement Modification Agreement, dated August 8, 2001, a secondary document as defined in the Board's Rules for the Recordation of Documents relating to filing(s) under Recordation Number 23416.

The names and addresses of the parties to the enclosed document are:

Debtor: Midwest Railcar Corporation
3 Professional Park Drive, Suite B
Maryville, Illinois 62062

Secured Party: Allfirst Bank
25 South Charles Street
Baltimore, Maryland 21201

A description of the railroad equipment covered by the enclosed documents is:

Thirty two (32) woodchip gondolas bearing car marks and numbers as listed on Exhibit A to said Memorandum of Chattel Mortgage and Security Agreement Modification Agreement.

A short summary of the document to appear in the index follows:

Memorandum of Chattel Mortgage and Security Agreement Modification Agreement between Midwest Railcar Corporation, Debtor, and Allfirst Bank, Secured Party, covering thirty two woodchip gondolas bearing car marks and numbers as listed on Exhibit A to said Memorandum of Chattel Mortgage and Security Agreement Modification Agreement.

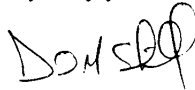
Surface Transportation Board
May 31, 2001
Page 2

MILES & STOCKBRIDGE P.C.

Also enclosed is a check in the amount of \$28.00 payable to the order of the Surface Transportation Board to cover the required recordation fee.

Please kindly return stamped copies of the enclosed document to the undersigned at the above-listed address.

Very truly yours,

A handwritten signature in black ink, appearing to read "DMS" followed by a stylized flourish.

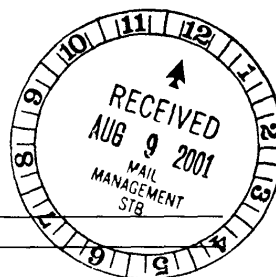
David M. Schilling
Legal Assistant

Enclosures

RECORDATION NO. 23416-B FILED

AUG 8 2001 3:44 PM

SURFACE TRANSPORTATION BOARD



**MEMORANDUM OF
CHattel MORTGAGE AND SECURITY AGREEMENT
MODIFICATION AGREEMENT**

dated as of August 8, 2001

by and between

**MIDWEST RAILCAR CORPORATION,
as Debtor**

and

**ALLFIRST BANK,
as Secured Party**

**MEMORANDUM OF CHATTEL MORTGAGE AND SECURITY AGREEMENT
MODIFICATION AGREEMENT**

THIS MEMORANDUM OF CHATTEL MORTGAGE AND SECURITY AGREEMENT MODIFICATION AGREEMENT (this "Agreement") is made this 8th day of August, 2001, by and between ALLFIRST BANK (the "Secured Party") and MIDWEST RAILCAR CORPORATION, an Illinois corporation (the "Debtor"), witnesseth:

RECITALS

A. The Debtor and the Secured Party are parties to that certain Loan Agreement dated as of March 20, 2001 pursuant to which the Secured Party agreed to extend to the Debtor a line of credit described in the Loan Agreement.

B. To secure the Debtor's obligations (as defined in the Loan Agreement) to the Secured Party, the Debtor executed and delivered to the Secured Party a Chattel Mortgage and Security Agreement dated as of March 20, 2001, as modified by the Chattel Mortgage and Security Agreement Modification Agreement by and between the Secured Party and the Debtor dated as of April 26, 2001, and the Chattel Mortgage and Security Agreement Modification Agreement by and between the Secured Party and the Debtor dated June 1, 2001 (collectively, the "Security Agreement"), pursuant to which the Debtor granted to the Secured Party a continuing, first priority security interest in and to, and lien on, twenty (20) flatcars, twenty one (21) boxcars, and one (1) woodchip gondola.

C. The Debtor subsequently purchased additional thirty two (32) woodchip gondolas (collectively, the "Railcars") described on Exhibit A attached hereto.

D. On August 8, 2001, the Secured Party and the Debtor executed a Chattel Mortgage and Security Agreement Modification Agreement pursuant to which the parties amended Schedule 1 to the Security Agreement by adding the cars marks and numbers of the Railcars to the collateral listed thereon.

E. A Memorandum of Chattel Mortgage and Security Agreement (the "Memorandum of Security Agreement") was filed and recorded with the Surface Transportation Board pursuant to 49 U.S.C. 11301 (a) on March 21, 2001 at 11:42 A.M., under Recordation No. 23416.

F. The Secured Party and the Debtor desire to amend certain provisions of the Memorandum of Security Agreement.

TERMS

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Secured Party and the Debtor hereby agree as follows:

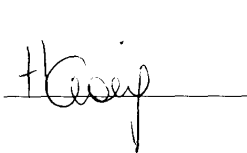
1. The facts set forth above are true and accurate in each respect.
2. The Memorandum of Security Agreement is hereby amended as follows: Exhibit A attached to the Memorandum of Security Agreement is amended by adding the car marks and numbers of the Railcars.
3. The term "this Memorandum" as used in the Memorandum of Security Agreement shall mean the Memorandum of Security Agreement as modified herein unless the context clearly indicates or dictates a contrary meaning.
4. This Agreement may not be amended, changed, modified, altered, or terminated without in each instance the prior written consent of the Secured Party. This Agreement shall be construed in accordance with and governed by the laws of the State of Maryland.
5. This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one agreement

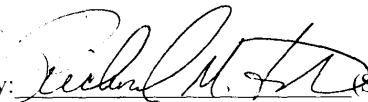
[SIGNATURES APPEAR OF NEXT PAGE]

IN WITNESS WHEREOF, the Secured Party and the Debtor have caused this Agreement to be executed under seal on the date first above written.

WITNESS:

ALLFIRST BANK



By:  (SEAL)
Richard M. Folio
Vice President

MIDWEST RAILCAR CORPORATION

By: _____ (SEAL)
Richard M. Murphy, III
President

STATE OF _____, CITY OF _____, TO WIT:

On this ____ day of August, 2001, before me personally appeared Richard M. Murphy, III, to me personally known, who being by me duly sworn, says that he is the President of MIDWEST RAILCAR CORPORATION, an Illinois corporation, that seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation, by authority of its Board of Directors, and that he acknowledged that the execution of the foregoing instruments was the free act and deed of said corporation.

IN WITNESS WHEREOF I have set my hand and seal.

Notary Public

(SEAL)

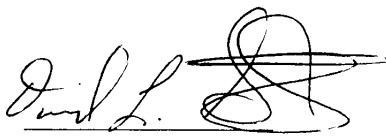
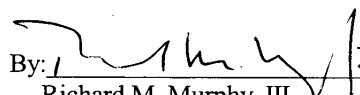
My Commission Expires:

IN WITNESS WHEREOF, the Bank and the Borrower have caused this Agreement to be executed under seal as of the date first above written.

WITNESS: ALLFIRST BANK

By: _____ (SEAL)
Richard M. Folio
Vice President

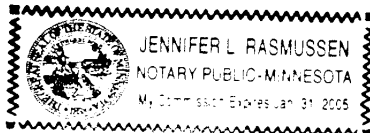
MIDWEST RAILCAR CORPORATION

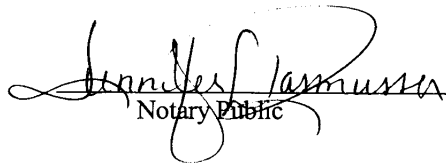

By:  (SEAL)
Richard M. Murphy, III
President

STATE OF MINNESOTA, CITY OF ELK RIVER, TO WIT:

On this 3 day of AUGUST, 2001, before me personally appeared Richard M. Murphy, III, to me personally known, who being by me duly sworn, says that he is the President of MIDWEST RAILCAR CORPORATION, an Illinois corporation, that seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation, by authority of its Board of Directors, and that he acknowledged that the execution of the foregoing instruments was the free act and deed of said corporation.

IN WITNESS WHEREOF I have set my hand and seal.

(SEAL) 


Notary Public

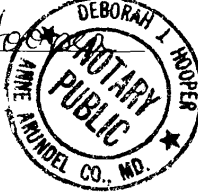
My Commission Expires:

STATE OF Maryland, CITY OF Baltimore, TO WIT:

On this 31st day of July, 2001 before me personally appeared Richard M. Folio, to me personally known, who being by me duly sworn, says that he is the Vice President of ALLFIRST BANK, that seal affixed to the foregoing instrument is the seal of said association, that said instrument was signed and sealed on behalf of said association, by authority of its Board of Directors, and that he acknowledged that the execution of the foregoing instruments was the free act and deed of said association.

IN WITNESS WHEREOF I have set my hand and seal.

Deborah J. Hoyer
Notary Public

A circular notary seal for Deborah J. Hoyer, Notary Public, Anne Arundel County, MD. The seal features the text "DEBORAH J. HOYER" at the top, "NOTARY PUBLIC" in the center, and "ANNE ARUNDEL CO., MD." at the bottom, flanked by two stars.

(SEAL)

My Commission Expires: 7/27/02

EXHIBIT A

DESCRIPTION OF RAILCARS

Thirty two (32) woodchip gondolas bearing car marks and numbers as follows:

Car Numbers

MWCX 100076
MWCX 100077
MWCX 100078
MWCX 100079
MWCX 100080
MWCX 100081
MWCX 100082
MWCX 100083
MWCX 100084
MWCX 100085
MWCX 100086
MWCX 100087
MWCX 100088
MWCX 100089
MWCX 100090
MWCX 100091
MWCX 100092
MWCX 100093
MWCX 100094
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MWCX 100103
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MWCX 100105
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